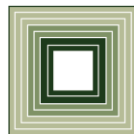


# ***Legislative Options for Health Coverage of Rehired Retirees***

**Joint Legislative Education Oversight Committee**

**December 2, 2014**



**FISCAL RESEARCH DIVISION**  
A Staff Agency of the North Carolina General Assembly

# General Comments

- All of these options aim to allow retirees to work full-time (as defined for the Affordable Care Act) for an employing unit (school district, community college, UNC, State agency, or some charter schools and local govts) and be covered under the regular State Health Plan (SHP) offerings (70/30, 80/20, or CDHP plans)
- All of these options attempt to comply with both the Affordable Care Act and Medicare laws. However, those laws are sometimes open to interpretation and these options have not received full legal scrutiny.
- None of these options will affect enrollment in January, 2015 because they would all require a change to State law.

# Option #1

- **Require employing units to enroll full-time rehired retirees in regular SHP coverage (70/30, 80/20, or CDHP plans).**
- **Employer would pay monthly premium (roughly \$450 in 2014) while employee was deemed full-time.**

# Option #2

- **Non-Medicare fully subsidized\* full-time rehired retirees: remain on retiree coverage**
- **Medicare-eligible or non-fully subsidized full-time rehired retirees: same as option #1**
  - **Employer would pay monthly premium (roughly \$450 in 2014) while employee was deemed full-time.**

**\* Those who were hired on or before October 1, 2006 or who retire with 20 or more years of service receive the full subsidy.**

# Summary

Group	2014	2015	Option #1	Option #2
Permanent	Regular *	Regular *	Regular *	Regular *
Temporary non-Retiree	None	HDHP *	HDHP *	HDHP *
Temporary non-Medicare, Fully Subsidized Retiree	Regular	HDHP *	Regular*	Regular
Temporary Medicare- eligible or Not Fully Subsidized Retiree	Regular	HDHP *	Regular*	Regular*

\* = Employer premium paid by employing unit. Otherwise, employer premium paid from Retiree Health Benefit Fund.

Regular = 70/30, 80/20, or CDHP plan; 70/30 or Medicare Advantage plans for Medicare-eligible retirees in 2014.

HDHP = High Deductible Health Plan (alternative coverage)

All employees are assumed to be full-time , as determined by employing unit in compliance with the Affordable Care Act.

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